

Congressman Tom Udall (NM-3rd)
Statement before the Senate Committees on
Small Business and Entrepreneurship
And Indian Affairs
4/30/00

Chairman Kerry, Ranking Member Bond, Chairman Inouye and Vice-Chairman Campbell:

It is truly an honor to come before you to testify today about Native American small business development. I would like to thank you personally, as well as on behalf of the Native Americans in New Mexico and throughout the country for all of your hard work and commitment to this issue. Clearly, despite all the hard work and dedication that has gone into improving small business and economic development in Indian Country, there is still a great deal that needs to be done to improve the economic standing of Native Americans throughout the United States.

The current economic situation on Native American lands is very grave, but does hold promise for the future. The average unemployment rate on these lands is over ten times the national average, but, at the same time, small business creation is at an all-time high. Native American and Native Alaskan-owned small businesses grew by 84% from 1992 to 1997, and their gross receipts grew by 179 percent in that same year period. Compare those figures to an overall small business growth rate of 7% and total gross receipt growth of 40%, and there is reason to be optimistic about the future of small business development on tribal lands.

It was with a desire to help Native American, Native Alaskan, and Native Hawaiian entrepreneurs capitalize on these positive developments that I introduced H.R. 2538, the Native American Small Business Development Act, during the first session of the 107th Congress. My legislation would have permitted state Small Business Development Centers to apply for federal grants to establish one or more Native American Small Business Development Centers, which would be required to deliver their services to the targeted populations located on tribal reservation lands.

I am pleased, however, that Senator Kerry and Senator Johnson have expanded upon my legislation to craft the updated version of the Native American Small Business Development Act. The three assistance programs in their legislation, two of which are pilot programs, will, I believe, provide excellent assistance to Native American entrepreneurs. In addition, I applaud Senators Kerry and Johnson for including language to create a statutory Office of Native American Affairs under the U.S. Small Business Administration (SBA) to be headed by an Assistant Administrator who must be knowledgeable about Native American cultures and have experience providing culturally tailored small business development assistance to Native Americans. I am confident that this legislation will help bring increased economic prosperity to these areas that have not been as fortunate in reaping the rewards of the recent United States economic expansion.

I look forward to working with my colleagues in the House to pass legislation to assist Native American entrepreneurs build their businesses and, in turn, help their communities. The persistent poverty that is prevalent on tribal lands must come to an end and I believe that passing the Native American Small Business Development Act is an important step toward achieving this goal.

Thank you for the opportunity and honor to testify before your committees today. I am proud of the work we have done so far and look forward to continuing our efforts on this legislation, as well as other initiatives to further benefit the Native American, Native Alaskan, and Native Hawaiian people.

With that, I will conclude my testimony and welcome any questions the committee has. Thank you.